

SAMCO CAPITAL MARKETS, INC.
FINANCIAL ADVISORY CONTRACT

February 6, 2015

The Honorable Mayor and City Council
City of Ingleside
2671 San Angelo
Ingleside, Texas 78362

Ladies and Gentlemen:

1. We understand that the City, from time to time, will consider the issuance of debt obligations and that in connection with the authorization, issuance, sale and delivery of such obligations you desire us to perform professional services in the capacity of Financial Advisors for your City.

2. By this proposal, we offer our professional services and our facilities as Financial Advisors and agree to perform the following duties normally performed by such advisors, and to perform such other duties as, in our judgment, may be necessary or advisable:

- a. We will make a study of the debt structure of your City, the trend of the assessed valuation, its taxing power and the present and estimated future taxing power and the present and estimated future taxing requirements. If the revenues of a system or facility are to be pledged to repayment of the securities in question, the study will take into account any outstanding obligations which are payable from the net revenues thereof, additional net

revenues to arise from any proposed rate increase and the additional net revenues as projected by your consulting engineers as a result of the improvements to be financed by these securities in question; and on the basis of such study, to devise and recommend for your approval, a plan of financing to cover the proposed bonds. Such plan shall include a maturity schedule and other terms and conditions, such as options of prior payment and the like, as will, in our opinion, result in the issuance of bonds under terms and conditions most advantageous to your City, consistent with a minimum effective interest rate.

- b. We will assist you in obtaining competitive bids for services rendered from such other parties associated with the issuance, sale and delivery of the bonds.
- c. We understand that you have retained, or expect to retain a firm, of recognized municipal bond attorneys who will prepare the proceedings and advise the steps necessary to be taken in the bond election, if required, the legal issuance of the bonds, the final delivery of the bonds and who will issue an opinion approving the legality of the bonds, the fee of said firm to be paid by the City. We will maintain liaison with this firm of bond attorneys and shall assist in all the financial advisory aspects involved in the preparation of appropriate legal proceedings and documents. (At the City's request, we will assist in appointing attorneys.)

- d. If a bond election is required, we will assemble and transmit to the bond attorneys such data as may be required in the preparation of the necessary petitions, orders, resolutions, notices and certificates; and will assist your governing body in the expeditious handling thereof. We will arrange for the delivery to such official as you may designate such sets of election supplies, including ballots as are required for each polling place. The cost of such supplies is to be paid by the City.
- e. We agree to prepare the Official Statement or Prospectus containing official data and other information of the nature and to the extent ordinarily required in bidding on bonds of this type, all of which we are to furnish in a sufficient number of copies to permit mailing to prospective bidders, a list of which we agree to provide. The cost of production and printing the Official Statements is to be paid by the City at a cost not to exceed \$5,000.
- f. We will advise you of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence interest rates or bidding conditions, so that the date for the sale of any bonds in the open market can be set at a time which, in our opinion, will be favorable.
- g. We agree to conduct and handle the sale and delivery of the bonds.

3. We will consult with you on the matter of bond ratings for the proposed issue and, when so instructed, will direct the preparation of such information, as in our opinion, is required for submission to the bond rating agencies. In case it is considered advisable for a personal presentation of information to the bond rating agencies, we will be available to accompany those representing the City to New York for such presentation. All costs of such presentation, including any fees or charges of the rating agencies and the cost of travel by our representative, shall be at your expense.

4. If appropriate, we will direct the preparation of such information as, in our opinion, is required for submission to the municipal bond insurance companies for consideration to qualify the proposed issue for municipal bond insurance. Bond insurance will be used if it makes economic sense.

5. We agree to direct and coordinate the entire program of financing herein contemplated. It is specifically understood and agreed, however, that this obligation on our part shall not cover payment of any expenses associated with the issuance of the obligations or the expenses of any litigation, if such would occur.

6. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that your City is to pay and we are to accept, a cash fee for such professional services in accordance with the fee

schedule set forth as follows. Such fee shall become due and payable simultaneously with delivery of the bonds to the purchaser.

FEE SCHEDULE

The following schedule is an estimate of fees due for Financial Advisory work. The actual fee will be more or less, based upon work performed.

Base Fee - Any Issue				\$ 5,000	
Plus					
\$12.50	per \$1,000 up to	\$500,000	or	\$11,250	for \$500,000 Bonds
Plus					
\$8.00	per \$1,000 next	\$500,000	or	\$15,250	for \$1,000,000 Bonds
Plus					
\$5.50	per \$1,000 next	\$1,500,000	or	\$23,500	for \$2,500,000 Bonds
Plus					
\$3.50	per \$1,000 next	\$2,500,000	or	\$32,250	for \$5,000,000 Bonds
Plus					
\$2.00	per \$1,000 next	\$5,000,000	or	\$42,250	for \$10,000,000 Bonds
Plus					
\$1.00	per \$1,000 over	\$10,000,000			

Fees for Revenue Bonds or Bonds issued to State or Federal Agencies shall be as computed from the above schedule, plus 25% (125% of the scheduled amount). For any issue of Refunding Bonds and/or other Debt Instruments involving Escrow Agreements, it is understood and agreed that our fee will be the fee schedule set out above plus 10%.

SAMCO Capital Markets, Inc. will bill the Issuer at Closing for each issue of Obligations a net amount which will include a fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the Bond Attorneys, preparation, printing, and distribution of the Notice of Sale, Official Statement, Uniform Bid Form or Private Placement Memorandum, independent consultants, information meetings, if any, presentations to rating agencies and rating fees, if any, printing of Obligations, and all appropriate costs and expenses associated with the closing and delivery of the Obligations.

7. If appropriate, we will assist with the annual filing of all documents related to the Securities and Exchange Commission Rule 15c2-12 (Continuing Disclosure). It is understood that we are not your agent for Continuing Disclosure because Southwest Securities, Inc. cannot be assured of being informed on a timely manner of all material events which require filing during the year. It is further understood that any fees due us for our work in this capacity will be determined on a case by case basis.

8. In the event a bond election is necessary and should fail, then the fee due us shall be nothing.

9. From the date of your acceptance, this agreement shall be in effect until terminated by either party upon ten (10) days written notice.

10. This proposal is submitted in duplicate, and when accepted by you, will constitute the entire agreement between your City and the undersigned for the purposes and considerations herein specified. Your acceptance will be indicated by the signature of your Mayor, on both copies, retaining one copy for the City files and returning the other executed copy to us.

Respectfully submitted,
SAMCO CAPITAL MARKETS, INC.

By: _____
Mark M. McLiney
Senior Managing Director

ACCEPTANCE

ACCEPTED by the City Council of the City of Ingleside, Texas on this the _____ day of _____, 2015.

Mayor, City of Ingleside, Texas